



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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Lowell P. Braxton  
Division Director

December 4, 2002

TO: Lowell P. Braxton, Director

THRU: Mary Ann Wright, Associate Director

FROM: Wayne Hedberg, Permit Supervisor

RE: Request for Approval of Form and Amount of Replacement Reclamation Surety, Utelite Corporation, Utelite Mine, M/043/004, Summit County, Utah

On October 18, 2002, the Division filed a Notice of Agency Action with the Board of Oil, Gas and Mining petitioning the Board for an Order to terminate Utelite Corporation's Self Bonding and Indemnity Agreement. The Order would also require Utelite to file a replacement reclamation surety, or suspend all mining operations. A subsequent Notice of Exhibits was filed with the Board on November 4, 2002. This matter was scheduled as a formal agenda item before the Board of Oil, Gas and Mining during its December 4, 2002 Hearing. On December 3, 2002, Utelite filed a replacement surety with the Division in the form of a \$147,900.00 Irrevocable Letter of Credit : issued by Wells Fargo Bank. On December 4, 2002, Utelite executed and submitted a replacement Reclamation Contract with the Division

In anticipation of the filing of this action, counsel for the Division and Utelite Corporation prepared and presented to the Board a Stipulation and Joint Motion and Order to Dismiss the Agency Action during the scheduled December 4<sup>th</sup> hearing. The matter was heard by the Board and a motion carried to dismiss the Notice of Agency Action and terminate Utelite's Self Bonding and Indemnity Agreement.

The \$147,900 Letter of Credit is escalated to year 2007 dollars. The Division's legal counsel has reviewed the Letter of Credit and Reclamation Contract for accuracy. If you are in agreement with the acceptance of the replacement reclamation surety please sign and date the Reclamation Contract. No signature is required on the Letter of Credit. We will then forward copies of the newly executed documents and return the original Self Bonding and Indemnity Agreement to Utelite for their records. Thank you for your consideration of this request.

jb

Enclosure: MR-RC & LOC

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I agree LPB 12-4-02